

Part 2

Municipalities

10-1-201 Municipalities as political subdivisions of the state.

Municipalities shall be political subdivisions of the State of Utah, municipal corporations, and bodies politic with perpetual existence unless disincorporated according to law.

Enacted by Chapter 48, 1977 General Session

10-1-202 Power to sue, contract, adopt municipal name and seal.

Municipalities may sue and be sued, enter into contracts and by ordinance adopt a municipal name and seal which may be changed from time to time.

Enacted by Chapter 48, 1977 General Session

10-1-203 License fees and taxes -- Application information to be transmitted to the county assessor.

(1) As used in this section:

- (a) "Business" means any enterprise carried on for the purpose of gain or economic profit, except that the acts of employees rendering services to employers are not included in this definition.
- (b) "Telecommunications provider" means the same as that term is defined in Section 10-1-402.
- (c) "Telecommunications tax or fee" means the same as that term is defined in Section 10-1-402.

(2) Except as provided in Subsections (3) through (5), the legislative body of a municipality may license for the purpose of regulation and revenue any business within the limits of the municipality and may regulate that business by ordinance.

(3)

(a) The legislative body of a municipality may raise revenue by levying and collecting a municipal energy sales or use tax as provided in Part 3, Municipal Energy Sales and Use Tax Act, except a municipality may not levy or collect a franchise tax or fee on an energy supplier other than the municipal energy sales and use tax provided in Part 3, Municipal Energy Sales and Use Tax Act.

(b)

(i) Subsection (3)(a) does not affect the validity of a franchise agreement as defined in Subsection 10-1-303(6), that is in effect on July 1, 1997, or a future franchise.

(ii) A franchise agreement as defined in Subsection 10-1-303(6) in effect on January 1, 1997, or a future franchise shall remain in full force and effect.

(c) A municipality that collects a contractual franchise fee pursuant to a franchise agreement as defined in Subsection 10-1-303(6) with an energy supplier that is in effect on July 1, 1997, may continue to collect that fee as provided in Subsection 10-1-310(2).

(d)

(i) Subject to the requirements of Subsection (3)(d)(ii), a franchise agreement as defined in Subsection 10-1-303(6) between a municipality and an energy supplier may contain a provision that:

(A) requires the energy supplier by agreement to pay a contractual franchise fee that is otherwise prohibited under Part 3, Municipal Energy Sales and Use Tax Act; and

(B) imposes the contractual franchise fee on or after the day on which Part 3, Municipal Energy Sales and Use Tax Act is:

- (I) repealed, invalidated, or the maximum allowable rate provided in Section 10-1-305 is reduced; and
 - (II) is not superseded by a law imposing a substantially equivalent tax.
 - (ii) A municipality may not charge a contractual franchise fee under the provisions permitted by Subsection (3)(b)(i) unless the municipality charges an equal contractual franchise fee or a tax on all energy suppliers.
- (4)
- (a) Subject to Subsection (4)(b), beginning July 1, 2004, the legislative body of a municipality may raise revenue by levying and providing for the collection of a municipal telecommunications license tax as provided in Part 4, Municipal Telecommunications License Tax Act.
 - (b) A municipality may not levy or collect a telecommunications tax or fee on a telecommunications provider except as provided in Part 4, Municipal Telecommunications License Tax Act.
- (5)
- (a)
 - (i) The legislative body of a municipality may by ordinance raise revenue by levying and collecting a license fee or tax on:
 - (A) a parking service business in an amount that is less than or equal to:
 - (I) \$1 per vehicle that parks at the parking service business; or
 - (II) 2% of the gross receipts of the parking service business;
 - (B) a public assembly or other related facility in an amount that is less than or equal to \$5 per ticket purchased from the public assembly or other related facility; and
 - (C) subject to the limitations of Subsections (5)(c) and (d):
 - (I) a business that causes disproportionate costs of municipal services; or
 - (II) a purchaser from a business for which the municipality provides an enhanced level of municipal services.
 - (ii) Nothing in this Subsection (5)(a) may be construed to authorize a municipality to levy or collect a license fee or tax on a public assembly or other related facility owned and operated by another political subdivision other than a community reinvestment agency without the written consent of the other political subdivision.
 - (b) As used in this Subsection (5):
 - (i) "Municipal services" includes:
 - (A) public utilities; and
 - (B) services for:
 - (I) police;
 - (II) fire;
 - (III) storm water runoff;
 - (IV) traffic control;
 - (V) parking;
 - (VI) transportation;
 - (VII) beautification; or
 - (VIII) snow removal.
 - (ii) "Parking service business" means a business:
 - (A) that primarily provides off-street parking services for a public facility that is wholly or partially funded by public money;
 - (B) that provides parking for one or more vehicles; and
 - (C) that charges a fee for parking.

- (iii) "Public assembly or other related facility" means an assembly facility that:
 - (A) is wholly or partially funded by public money;
 - (B) is operated by a business; and
 - (C) requires a person attending an event at the assembly facility to purchase a ticket.
- (c)
 - (i) Before the legislative body of a municipality imposes a license fee on a business that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance defining for purposes of the tax under Subsection (5)(a)(i)(C)(I):
 - (A) the costs that constitute disproportionate costs; and
 - (B) the amounts that are reasonably related to the costs of the municipal services provided by the municipality.
 - (ii) The amount of a fee under Subsection (5)(a)(i)(C)(I) shall be reasonably related to the costs of the municipal services provided by the municipality.
- (d)
 - (i) Before the legislative body of a municipality imposes a license fee on a purchaser from a business for which it provides an enhanced level of municipal services under Subsection (5)(a)(i)(C)(II), the legislative body of the municipality shall adopt an ordinance defining for purposes of the fee under Subsection (5)(a)(i)(C)(II):
 - (A) the level of municipal services that constitutes the basic level of municipal services in the municipality; and
 - (B) the amounts that are reasonably related to the costs of providing an enhanced level of municipal services in the municipality.
 - (ii) The amount of a fee under Subsection (5)(a)(i)(C)(II) shall be reasonably related to the costs of providing an enhanced level of the municipal services.
- (6) All license fees and taxes shall be uniform in respect to the class upon which they are imposed.
- (7) The municipality shall transmit the information from each approved business license application to the county assessor within 60 days following the approval of the application.
- (8) If challenged in court, an ordinance enacted by a municipality before January 1, 1994, imposing a business license fee on rental dwellings under this section shall be upheld unless the business license fee is found to impose an unreasonable burden on the fee payer.

Amended by Chapter 350, 2016 General Session

10-1-203.5 Disproportionate rental fee -- Good landlord training program -- Fee reduction.

- (1) As used in this section:
 - (a) "Business" means the rental of one or more residential units within a municipality.
 - (b) "Disproportionate rental fee" means a fee adopted by a municipality to recover its disproportionate costs of providing municipal services to residential rental units compared to similarly-situated owner-occupied housing.
 - (c) "Disproportionate rental fee reduction" means a reduction of a disproportionate rental fee as a condition of complying with the requirements of a good landlord training program.
 - (d) "Exempt business" means the rental of a residential unit within a single structure that contains:
 - (i) no more than four residential units; and
 - (ii) one unit occupied by the owner.
 - (e) "Exempt landlord" means a residential landlord who demonstrates to a municipality:

- (i) completion of any live good landlord training program offered by any other Utah city that offers a good landlord program;
 - (ii) that the residential landlord has a current professional designation of "property manager"; or
 - (iii) compliance with a requirement described in Subsection (6).
- (f) "Good landlord training program" means a program offered by a municipality to encourage business practices that are designed to reduce the disproportionate cost of municipal services to residential rental units by offering a disproportionate rental fee reduction for any residential landlord who:
 - (i)
 - (A) completes a landlord training program provided by the municipality; or
 - (B) is an exempt landlord;
 - (ii) implements measures to reduce crime in rental housing as specified in a municipal ordinance or policy; and
 - (iii) operates and manages rental housing in accordance with an applicable municipal ordinance.
- (g) "Municipal services" means:
 - (i) public utilities;
 - (ii) police;
 - (iii) fire;
 - (iv) code enforcement;
 - (v) storm water runoff;
 - (vi) traffic control;
 - (vii) parking;
 - (viii) transportation;
 - (ix) beautification; or
 - (x) snow removal.
- (h) "Municipal services study" means a study of the cost of all municipal services to rental housing that:
 - (i) are reasonably attributable to the rental housing; and
 - (ii) exceed the municipality's cost to serve similarly-situated, owner-occupied housing.
- (i) "Residential landlord" means:
 - (i) the owner of record of residential real property that is leased or rented to another; or
 - (ii) a third-party provider that has an agreement with the owner of record to manage the owner's real property.
- (2) The legislative body of a municipality may charge and collect a disproportionate rental fee on a business that causes disproportionate costs to municipal services if the municipality:
 - (a) has performed a municipal services study; and
 - (b) adopts a disproportionate rental fee that does not exceed the amount that is justified by the municipal services study on a per residential rental unit basis.
- (3) A municipality may not:
 - (a) impose a disproportionate rental fee on an exempt business;
 - (b) require a residential landlord to deny tenancy to an individual released from probation or parole whose conviction date occurred more than four years before the date of tenancy;
 - (c) without cause and notice, require a residential landlord to submit to a random building inspection;
 - (d) unless agreed to by a residential landlord and in compliance with state and federal law, collect from a residential landlord or retain:

- (i) a tenant's consumer report, as defined in 15 U.S.C. Sec. 1681a, in violation of 15 U.S.C. Sec. 1681b as amended;
 - (ii) a tenant's criminal history record information in violation of Section 53-10-108; or
 - (iii) a copy of an agreement between the residential landlord and a tenant regarding the tenant's term of occupancy, rent, or any other condition of occupancy;
 - (e) require that any documents required from the landlord be notarized; or
 - (f) prohibit a residential landlord from passing on to the tenant the license or disproportionate fee.
- (4) Nothing in this section shall limit:
- (a) a municipality's right to audit and inspect an exempt residential landlord's records to ensure compliance with a disproportionate rental fee reduction program; or
 - (b) the right of a municipality with a short-term or vacation rental ordinance to review an owner's rental agreement to verify compliance with the municipality's ordinance.
- (5) Notwithstanding Section 10-11-2, a residential landlord may provide the name and address of a person to whom all correspondence regarding the property shall be sent. If the landlord provides the name and address in writing, the municipality shall provide all further correspondence regarding the property to the designated person. The municipality may also provide copies of notices to the residential landlord.
- (6) In addition to a requirement or qualification described in Subsection (1)(e), a municipality may recognize a good landlord training program described in its ordinance.
- (7)
- (a) If a municipality adopts a good landlord program, the municipality shall provide an appeal procedure affording due process of law to a residential landlord who is denied a disproportionate rental fee reduction.
 - (b) A municipality may not adopt a new disproportionate rental fee unless the municipality provides a disproportionate rental fee reduction.
- (8) A property manager who represents an owner of property that qualifies for a municipal disproportionate rental fee may not be restricted from simultaneously representing another owner of property that does not qualify for a municipal disproportionate rental fee.

Amended by Chapter 86, 2016 General Session